

Abstract of the Disclosure

A method and system for processing and redeeming coupons comprises a host computer connected to a database of coupon card accounts associated with a plurality of coupon cards. Each account includes at least a consumer identifier, consumer-selected coupons, and a consumer-selected vendor identifier. At least the consumer identifier and coupon data is magnetically stored on a respective card. A coupon card account may be established from a remote computer connected to the host computer via a computer network or through a remote point-of-purchase machine. The host computer transmits account data to a consumer-selected vendor computer. When a coupon card and selected products are presented to the vendor, the vendor computer discounts the price of the products according to the coupon data on the card and modifies its inventory records as well. Coupons may be redeemed a predetermined number of times prior to a predetermined expiration date.